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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/046,101	01/11/2002	Keith A. Raniere	FIRS-2994	2867

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EXAMINER	
LEIVA, FRANK M	

ART UNIT	PAPER NUMBER
3714	

MAIL DATE	DELIVERY MODE
02/02/2010	PAPER

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Office Action Summary	Application No.	Applicant(s)	
	10/046,101	RANIERE, KEITH A.	
	Examiner	Art Unit	
	FRANK M. LEIVA	3714	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

1)☒ Responsive to communication(s) filed on *11 November 2009*.

2a)☐ This action is **FINAL**. 2b)☒ This action is non-final.

3)☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

4)☒ Claim(s) *1-80 and 93-164* is/are pending in the application.

4a) Of the above claim(s) _____ is/are withdrawn from consideration.

5)☐ Claim(s) _____ is/are allowed.

6)☒ Claim(s) *1-80 and 93-164* is/are rejected.

7)☐ Claim(s) _____ is/are objected to.

8)☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

9)☐ The specification is objected to by the Examiner.

10)☐ The drawing(s) filed on _____ is/are: a)☐ accepted or b)☐ objected to by the Examiner.

Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).

Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).

11)☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

12)☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).

a)☐ All b)☐ Some * c)☐ None of:

1.☐ Certified copies of the priority documents have been received.

2.☐ Certified copies of the priority documents have been received in Application No. _____.

3.☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

1) ☐ Notice of References Cited (PTO-892)
2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
3) ☐ Information Disclosure Statement(s) (PTO/SB/08) Paper No(s)/Mail Date _____
4) ☐ Interview Summary (PTO-413) Paper No(s)/Mail Date. _____.
5) ☐ Notice of Informal Patent Application
6) ☐ Other: _____.

DETAILED ACTION

Continued Examination Under 37 CFR 1.114

1. A request for continued examination under 37 CFR 1.114, including the fee set forth in 37 CFR 1.17(e), was filed in this application after final rejection. Since this application is eligible for continued examination under 37 CFR 1.114, and the fee set forth in 37 CFR 1.17(e) has been timely paid, the finality of the previous Office action has been withdrawn pursuant to 37 CFR 1.114. Applicant's submission filed on 11 November 2009 has been entered.

Acknowledgements

2. The examiner acknowledges amendments to independent claims **1, 41, 93 and 124** in applicant's submission filed 11 November 2009.

Response to Arguments

3. Applicant's arguments, see remarks, filed 11 November 2009, with respect to the rejection(s) of claim(s) 1-154 under 35 U.S.C. §103(a) have been fully considered and are persuasive. Therefore, the rejection has been withdrawn. However, upon further consideration, of the new ruling of In re Bilski; a new ground(s) of rejection is made.

4. Applicant's arguments directed to claims **155-164** are not persuasive since no amendment including the new limitations were included. Rejection stands proper.

Claim Rejections - 35 USC § 112 2nd Paragraph

5. The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

6. **Claim 25** is rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention. Claim 25 is written as the method of an apparatus, makes uncertain if the applicant is claiming a method or an apparatus.

7. **Claims 1-40, 93-123 and 155-164** are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention. Claims 1, 93 and 155 fail to point out the physical structure of the product being claimed, and as for claims 2-40, 94-123 and 156-164 are indefinite for being dependent on indefinite claims 1, 93 and 155.

Claim Rejections - 35 USC § 101

8. 35 U.S.C. 101 reads as follows:

> Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

9. **Claims 41-80 and 124-154** are rejected under 35 USC 101 as being directed to non-statutory subject matter because these are method or process claims that do not transform underlying subject matter (such as an article or materials) to a different state or thing, nor are they tied to another statutory class (such as a particular machine). See Diamond v. Diehr. 450 U.S. 175, 184 (1 981) (quoting Benson, 409 U.S. at 70); Parker v. Flook, 437 U.S. 584, 588 n.9 (1978) (citing Cochrane v. Deener, 94 U.S. 780, 787-88 (1876)). See also In re Bilski (Fed Cir. 2007-1 130. 1013012008) where the Fed. Cir. held that method claims must pass the "machine-or- transformation test" in order to be eligible for patent protection under 35 USC 101.

Based on Supreme Court precedent and recent Federal Circuit decisions, a 101 process must (1) be tied to another statutory class (such as a particular apparatus) or (2) transform underlying subject matter (such as an article or materials) to a different

state or thing. If neither of these requirements is met by the claim, the method is not a patent eligible process under 35 USC 101 and should be rejected as being directed to non-statutory subject matter. An example of a method claim that would not qualify as a statutory process would be a claim that recited purely mental steps. Thus, to qualify as a 35 USC 101 statutory process, the claim should positively recite the other statutory class (the thing or product) to which it is tied, for example by identifying the apparatus that accomplishes the method steps, or positively recite the subject matter that is being transformed, for example by identifying the material that is being changed to a different state.

In its recent case, In re Bilski, et al., the Court of Appeals for the Federal Circuit determined that in order to meet the requirements of 35 U.S.C. § 101, method claims must either recite a method of making a physical transformation on a material substance or be explicitly tied to some machine or article of manufacture. The instant **claims 41 and 124** do not meet the criteria set forth in the "machine-or-transformation test" as they are not tied to another specific statutory class. The claims themselves amount to "an exchange of a virtual material" including "playing a game", "use of cash", and "receiving currency for playing". Such process steps lack any tangibility or transformation of any article or materials. The state of the physical device is not conveyed as changing or being modified from the process steps listed. Therefore the instant claims fail to meet the standard set forth by In re Bilski and do not pass the "machine- or-transformation test".

While some of Appellant's dependent claims recite different embodiments with rates of value for the scrip, there is insignificant post-solution activity which will not transform a patentable principle into a patentable process. As noted, appellant appears to be attempting to patent an idea or fundamental principle since any and all methods of providing the projected effect of receiving scrip for playing a game would infringe upon the claimed invention. The Court in Bilski clearly states that the claims that preempt substantially all uses of a fundamental principle are not drawn to patent eligible subject matter.

As such claims **41-80 and 124-154** are held to be directed towards unpatentable subject matter.

Claim Rejections - 35 USC § 103

10. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

> (a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

11. Claims 155-159 are rejected under 35 U.S.C. 103(a) as being unpatentable over Weiss (US 6,511,377 B1).

12. Regarding claim 155; Weiss discloses:

An entrance-exchange structure, comprising: scrip (comp points), (col. 20:16-22); and a game (or activity) of uncertain outcome adapted to be played by at least one participant, (col. 3:40-56); wherein a house is adapted to pay a player of the at least one participant a takehome in a currency for a win of the game of uncertain outcome by the player based on entrance (betting) by the player in relation to the game (activity), (col. 3:40-67, 14:9-11 and 20:34-38); and wherein the currency is cash plus scrip and scrip, (col. 3:40-67, 14:9-11 and 20:34-38), where all winnings and accumulated scrip (comp points) can be deposited in the player's account and redeemed for currency, gifts and services.

13. Regarding claims 156-157; Weiss discloses wherein the game of uncertain outcome comprises a casino game, wherein the participant comprises a player, (col. 3:2-5).

14. Regarding claims 158-159; Weiss discloses wherein the entrance comprises a placing of a bet, (col. 5:40-45), or a payment of a fee, (col. 12:11-15).

15. Claims 160-164 are rejected under 35 U.S.C. 103(a) as being unpatentable over Weiss as applied to claim 155, above, and further in view of Walker 276'.

16. Regarding claims 161-162; Weiss discloses all the limitations of claims 1, 2, 41, 93, 124 and 155, yet Weiss fails to disclose all the other casino game embodiments available; Walker 276' discloses wherein the game of uncertain outcome includes an event selected from the group consisting of a lottery and a sporting event; wherein the game of uncertain outcome comprises a game of chance; and wherein the game of uncertain outcome comprises a game of skill, (¶ [0039]). It would have been obvious to one of ordinary skill in the art to apply Weiss invention to all of the well-known types of gaming machines in the casino establishment.

17. Regarding claims 160, 163 and 164; Weiss discloses all the limitations of claims 1, 2, 41, 93, 124 and 155, yet Weiss fails to disclose a trigger event; Walker 276' discloses where the at least one potential outcome comprises a win of the game; wherein the entrance comprises an action; and wherein the action satisfies one or more criteria, (¶ [0160-0161]). It would have been obvious to one of ordinary skill in the art to after reading Walker 276' to try introducing a trigger criteria to entice the player into participating in the entrance-exchange program, yielding the predictable result as described in Walker 276'.

Allowable Subject Matter

18. Claims 1-40 and 93-123 would be allowable if rewritten or amended to overcome the rejection(s) under 35 U.S.C. §112, 2nd paragraph, set forth in this Office action.

19. Claims 41-80 and 124-154 would be allowable if rewritten or amended to overcome the rejection(s) under 35 U.S.C. §101, set forth in this Office action.

Examiner's Note

20. (1) In order to facilitate prosecution; the examiner reminds the applicant to amend the drawings if physical structure is added to claims 1 and 93 and substantive matter added for claims 41 and 124 to overcome the rejections, so that all claimed limitations are shown in the drawings.

21. (2) Also, amendments should not reduce the claims in order to maintain allowability and please indicate support for the amendments.

22. (3) Examiner has cited paragraphs and figures in the references as applied to the claims above for the convenience of the applicant. Although the specified citations are representative of the teachings in the art and are applied to the specific limitations within the individual claim, other passages and figures may apply as well. It is respectfully requested from the applicant, in preparing the responses, to fully consider the references in entirety as potentially teaching all or part of the claimed invention, as well as the context of the passage as taught by the prior art or disclosed by the examiner.

Conclusion

Any inquiry concerning this communication or earlier communications from the examiner should be directed to FRANK M. LEIVA whose telephone number is (571)272-2460. The examiner can normally be reached on M-Th 9:30am - 5:00pm.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Peter D. Vo can be reached on (571) 272-4690. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see http://pair-direct.uspto.gov. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

FML
01/27/2010

/Peter D. Vo/
Supervisory Patent Examiner, Art Unit 3714